

Message Text

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PAGE 01 STATE 049079

61

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TO AMCONSUL ISTANBUL

INFO AMEMBASSY ANKARA

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E.O. 11652: N/A

TAGS: APUB, TU

SUBJ: PRESS RELEASE ON EXIMBANK LOAN TO TURKEY

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE TWO
DIRECT LOANS TOTALLING DOLS 3,294,981 TO TURKEY. RELEASE IS
SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR
AM PAPERS, THURSDAY, MARCH 21, 1974.

QUOTE: EXIMBANK SUPPORTS DOLS 7.3 MILLION IN SALES
OF US TEXTILE EQUIPMENT TO TURKEY

TO SUPPORT SALES TOTALLING DOLS 7,332,180 FOR U.S. TEXTILE EQUIPMENT
TO TURKEY, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF
THE UNITED STATES HAS AUTHORIZED TWO DIRECT LOANS TOTALLING DOLS
3,294,981 ACCORDING TO EXIMBANK'S VICE CHAIRMAN WALTER C. SAUER.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 049079

EXIMBANK'S DIRECT LOAN OF DOLS 1,845,000 WILL FINANCE 45 PERCENT OF THE TOTAL U.S. COSTS OF A 25,056- SPINDLE COTTON YEARN PLANT, EQUIPMENT AND RELATED SERVICES COSTING DOLS 4,100,000. EXIMBANK IS ALSO PROVIDING A FINANCIAL GURANTEE OF ALOAN OF DOLS 1,845,000 FROM PRIVATE SOURCES TO FINANCE ANOTHER 45 PERCENT OF THE TOTAL US COSTS. THE BORRWER, KARSU TEKSTIL SANAYII VE TICARET (KARSU) OF TURKEY, WILL MAKE CASH PAYMENT OF THE BALANCE OF 10 PERCENT OR DOLS 410,000.

WHITIN INTERNATIONAL OF CHAROLOTT, NORTH CAROLINA, WILL BE THE PRIME SUPPLIER OF THE EQUIPMENT.

THE LOANS ARE TO BE REPAID IN 14 SEMIANNUAL INSTALLMENTS BEGINNING JULY 5, 1975, WITH EXIMBANK'S DIRECT LOAN OF DOLS 1,845,000 TO BE REPAID OUT OF THE LAST 7 INSTALLMENTS WITH INTEREST AT AN ANNUAL RATE OF 6 PERCENT ON OUTSTANDING BALANCES. REPAYMENT OF ALL LOANS IS TO BE GURANTEED BY TURKIYE IS BANKASI.

THE OTHER EXIMBANK DIRECT LOAN OF DOLS 1,449,981 WILL FINANCE 45 PERCENT OF THE TOTAL U.S. COSTS OF TEXTILE EQUIPMENT, SPARE PARTS AND RELEATED SERVICES COSTING DOLS 3,222,180 REQUIRED FOR A 25,824- SPINDLE COTTON SPINNING PLANT. EXIMBANK IS PROVIDING A FINANCIAL GUARANTEE OF A LOAN OF DOLS 1,449,981 FROM IRVING TRUST COMPANY, NEW YORK, TO FINANCE ANOTHER 45 PERCENT OF THE US COSTS. THE BORRWER, IPAS MALATYA IPLIK VE DOKUMA FABRIKALARI A.S. (IPAS) OF MALTYA, TURKEY, WILL MAKE CASEY PAYMENT OF THE BALANCE OF THE US COSTS OR DOLS 322,218.

THE US MACHINERY WILL BE FOR A PRIVATELY-OWNED NEW TEXTILE MILL IN MALATYA, TURKEY. US PRUCHASES WILL INCLUDE DRAWFRAMES, LAP MACHINES, COMBERS, ROVING AND SPINNING FRAMES WITH SPINDLES TO BE PROVIDED BY WHITIN INTERNATIONAL OF CHARLOTTE, NORTH CAROLINA; CAR MACHINES TO BE PROVIDED BY ASHWORTH BROTHERS, INC., OF FALL RIVER, MASSACHUSETTS; AND TRAVELING CLEANERS TO BE PROVIDED BY PARKS CRAMER COMPANY OF FITCHBURG, MASSACHUSETTS.

THE LOANS ARE TO BE REPAID IN 14 SEMIANNUAL INSTALLMENTS BEGINNING JUNE 5, 1976, WITH EXIMBANK'S DIRECT LOAN OF DOLS 1,449,981 TO BE REPAID OUT OF THE LAST 7 INSTALLMENTS WITH INTEREST AT AN ANNUAL RATE OF 6 PERCENT ON OUTSTANDING BALANCES. REPAYMENT OF ALL UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 049079

LOANS IS TO BE GURANTEED BY ETIBANK, A GOVERNMENT OWNED BANKING INSTITUTION IN TURKEY. UNQUOTE KISSINGER

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